

AMENDED IN SENATE AUGUST 17, 2004

AMENDED IN SENATE AUGUST 5, 2004

AMENDED IN SENATE JUNE 30, 2004

AMENDED IN SENATE MAY 24, 2004

AMENDED IN SENATE JULY 15, 2003

AMENDED IN SENATE JUNE 30, 2003

AMENDED IN ASSEMBLY MAY 14, 2003

CALIFORNIA LEGISLATURE—2003–04 REGULAR SESSION

ASSEMBLY BILL

No. 1468

Introduced by Assembly Member Kehoe
(Principal coauthor: Assembly Member Pavley)
(Coauthors: Assembly Members Goldberg, Levine, Lieber, and
Oropeza)
(Coauthor: Senator Kuehl)

February 21, 2003

An act to add Section 25370 to the Public Resources Code, relating to motor vehicle fuel conservation.

LEGISLATIVE COUNSEL'S DIGEST

AB 1468, as amended, Kehoe. California on the Move-Petroleum Demand Reduction Act.

Existing law requires the State Energy Resources Conservation and Development Commission and the State Air Resources Board to

implement and administer various laws governing motor vehicle fuel conservation and emission reduction in this state.

This bill would enact the California on the Move-Petroleum Demand Reduction Act, which would require both the commission and the state board, not later than January 1, 2010, to adopt and implement measures to achieve ~~a~~ *an interim* petroleum demand reduction goal that would limit onroad petroleum fuel demand to a level not exceeding 2004 demand levels, ~~and maintain or reduce demand levels for the years from 2010 to 2020, inclusive,~~ as provided. The bill would specify that the measures adopted and implemented by the commission and the state board shall not require the imposition by those agencies of any new or additional taxes or fees on motor vehicles, petroleum fuel, or vehicle miles traveled. The bill would require the Department of Finance, if, in consultation with the State Board of Equalization, it determines that petroleum fuel tax revenue declines as a direct result of petroleum fuel consumption reduction achieved pursuant to the bill's requirements, to, in consultation with the commission, the state board, and the Department of Transportation, develop and submit to the Legislative Analyst's Office and specified legislative committees, alternative revenue recommendations to compensate for that decline in revenue. The bill would authorize the commission and the state board to work with other states, members of the United States Congress, and other federal agencies that are responsible for the administration and implementation of federal laws governing vehicle fuel economy to assist in the development of new standards and regulations designed to increase onroad light-duty vehicle fuel economy for new vehicles. The bill would require the commission in consultation and coordination with the state board, not later than January 1, 2008, to prepare and include in a specified report a report containing specified information on the progress achieved in meeting the petroleum demand reduction goals prescribed in the act.

Vote: majority. Appropriation: no. Fiscal committee: yes. State-mandated local program: no.

The people of the State of California do enact as follows:

- 1 SECTION 1. Section 25370 is added to the Public Resources
- 2 Code, to read:
- 3 25370. (a) This section shall be known, and may be cited, as
- 4 the California on the Move-Petroleum Demand Reduction Act.



(b) The Legislature finds and declares all of the following:

(1) California's gasoline and diesel fuel prices have historically far exceeded the national average and, with the exception of Hawaii, have been the highest in the nation. This trend is expected to continue as, among other influences, a combination of limited supply, growing demand, and global conditions work to increase petroleum costs.

(2) California's forecasted demand for gasoline and diesel to fuel cars and trucks far exceeds California's refinery capacity.

(3) Unless the demand trend changes, California may continue to experience periodic onroad fuel spikes, which subjects the state's economy and business climate to instability as a result of those spikes.

(4) Cost-effective options exist today that can lessen the economic instability caused by high fuel prices and price spikes, reduce environmental degradation caused by increased petroleum fuel use, and reduce dependence on petroleum fuels by lowering overall onroad demand for gasoline and diesel, and increasing fuel diversity.

(5) Significantly reducing onroad petroleum fuel demand through the year 2020 is feasible.

(c) (1) It is the intent of the Legislature to enact measures with the goal of reducing California's onroad petroleum fuel demand by 15 percent below 2003 levels, by the year 2020.

(2) Nothing in the act adding this section is intended to reduce transportation funding. If gasoline tax revenue is reduced because of reduced demand that is achieved as a result of the act adding this section, the Legislature intends to fully maintain transportation funding.

(d) (1) Not later than January 1, 2010, the commission shall, in the course of its authorized activities and rulemaking, adopt and implement measures to achieve a *an interim* petroleum demand reduction goal that would limit onroad petroleum fuel demand to a level not exceeding 2004 demand levels, ~~and maintain or reduce demand levels for the years from 2010 to 2020, inclusive.~~

(2) Not later than January 1, 2010, the State Air Resources Board shall, in the course of its air pollution regulation and other authorized activities, adopt and implement measures to achieve a *an interim* petroleum demand reduction goal that would limit onroad petroleum fuel demand to a level not exceeding 2004

1 demand levels, and maintain or reduce demand levels for the years
2 from 2010 to 2020, inclusive. *levels.*

3 (e) The measures adopted and implemented by the commission
4 and the State Air Resources Board pursuant to subdivision (d) shall
5 not require the imposition by those agencies of any new or
6 additional taxes or fees on motor vehicles, petroleum fuel, or
7 vehicle miles traveled.

8 (f) If the Department of Finance, in consultation with the State
9 Board of Equalization, determines that there is a decline in
10 petroleum fuel tax revenue that has occurred as a direct result of
11 reduced petroleum fuel consumption achieved pursuant to the act
12 adding this section, the Department of Finance, in consultation
13 with the commission, the State Air Resources Board, and the
14 Department of Transportation, shall develop alternative revenue
15 recommendations to compensate for that decline in revenue, and
16 submit those recommendations to the Legislative Analyst's Office
17 and the appropriate budget, fiscal, and policy committees of the
18 Legislature.

19 (g) The commission and the State Air Resources Board may
20 work with vehicle manufactures, representatives of the oil
21 industry, other states, and the United States Congress to increase
22 awareness of the increased petroleum dependence and economic
23 burdens imposed in California by lax federal fuel economy
24 requirements including, but not limited to, fuel price instability.

25 (h) The commission and the State Air Resources Board may
26 work with other states, Members of the United States Congress and
27 other federal agencies responsible for the administration and
28 implementation of federal laws governing vehicle fuel economy,
29 to assist in the development of new standards and regulations
30 designed to increase onroad light-duty vehicle fuel economy for
31 new vehicles.

32 SEC. 2. Not later than January 1, 2008, the State Energy
33 Resources Conservation and Development Commission, in
34 consultation and coordination with the State Air Resources Board,
35 shall prepare and include in the integrated energy policy report that
36 the commission is required to adopt pursuant to Section 25302, a
37 report on all of the following:

38 (a) Progress achieved toward meeting the petroleum reduction
39 goals established pursuant to Section 25370 of the Public
40 Resources Code.

- 1 (b) Other efforts necessary to maintain or further reduce
- 2 California's petroleum fuel demand.
- 3 (c) Any state or federal statutory or administrative limitations
- 4 that impede the ability of the commission or the state board to
- 5 achieve the goals of Section 25370 of the Public Resources Code.

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